



**DEPARTMENT OF THE NAVY**  
NAVAL FACILITIES ENGINEERING COMMAND FAR EAST  
PSC 473 BOX 13  
FPO AP 96349-0013

J&A No. N40084-15-T-0419

**JUSTIFICATION AND APPROVAL  
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION**

**1. Contracting Activity.**

The agency is the U.S. Department of the Navy. The contracting activity is Naval Facilities Engineering Command Far East, Public Works Department Yokosuka Facilities Engineering and Acquisition Division (PRY22).

**2. Description of the Action Being Approved.**

This justification seeks approval to limit competition in the procurement of services to repair, connect and test Frequency Converter #4, 5, & 6 (FC#4, 5, & 6) and associated systems that are required on an other-than-full and open competition basis. Repairs will be performed in Bldg. 1805 at Fleet Activities Yokosuka, Japan. This procurement action will be negotiated with the Toshiba Corporation (Toshiba). The specifics are listed below and will be specified in the respective contract specifications for the frequency converters.

A Sources Sought notice was publicized in FEDERAL BUSINESS OPPORTUNITIES (FEDBIZOPPS) on 11 February 2015, for 30 calendar days to notify prospective offerors of the contract requirement and the Navy's intent to award the contract non-competitively pursuant to FAR 6.302-1. No offerors responded. In an effort to seek qualified contractors and or subcontractors from other Frequency Converter projects, Misawa, Sasebo and Okinawa were contacted. A list of seven (7) contractors were provided by Misawa and solicited, of the 7 solicited, one offeror provided a response, however, soon after, offeror provided an email on 25 February 2015, stating regret that they could not participate. Part of the reason we are not getting competition in Yokosuka is because the frequency is different, east of Japan is 50 Hz and west is 60 Hz. The ships are all 60 Hz, therefore, the frequency has to be converted from 50 Hz to 60 Hz in order to supply 60 Hz to the ships. Okinawa and Sasebo do not require the conversation because they are already running at 60 Hzs. Therefore, no responses were received from Okinawa and Sasebo.

**3. Description of Supplies/Services.**

The purpose of this procurement is to repair, re-connect, and test the Frequency Converters for FC#4, 5, & 6 in Bldg. 1805. The support will include but is not limited to repair installed equipment and systems to ensure they are fully functional and in normal working condition. The work shall include, but not limited to:

- Repair Work: All necessary repairs to No. 4, No. 5, and No. 6 Frequency Converter Systems to ensure safe and operational condition.
- Operational Test: Operational tests necessary to ensure that the system is fully functional and operational after the repair works are completed
- Report: Submission of comprehensive written reports in English and Japanese

The estimated contract value for the scope of work is approximately XXXXXXXX but will fluctuate with the Dollar/Yen exchange rate. Funding for this requirement has been programmed in the PWD working capital fund. The solicitation will result in a firm fixed price performance-based contract. The requested period of performance is for FY15.

**4. Statutory Authority Permitting Other Than Full and Open Competition.**

10 USC 2304(c)(1), as implemented by FAR 6.302-1: Only one responsible source and no other supplies or services will satisfy agency requirements.

**5. Rationale Justifying Use of Cited Statutory Authority.**

Toshiba Corporation possesses significant Frequency Converter skills that are crucial to meet the Government requirements. Toshiba provides key subject matter experts in important and critical stages and any loss of momentum would have significant consequences affecting asset viability. They are the lead contractor in Japan for Frequency Converters. Frequency converters in the Public Works Department Yokosuka inventory (including FC#4, 5, & 6) are manufactured by Toshiba using proprietary technology, because 30 years ago, the frequency converters were installed by the Government of Japan (GOJ) as a host nation program. This means that the Government of Japan funded this procurement. The GOJ chose Toshiba as the manufacturer. Frequency converters are used to convert 50 Hz to 60 Hz electrical power to support Forward Deployed Naval Force (FDF) ships and operational facilities in Yokosuka. Non-compatible units would fail to meet the operational requirements of the base electrical system and not be compatible with the existing SCADA control system, resulting in significant maintenance and repair problems. Toshiba is a fully licensed contractor able to provide the required services. This contractor has a solid history of performance on Yokosuka's frequency converters.

Immediate repair of FC#4, 5, & 6 is required to ensure the base is ready to meet current and projected 60 Hz power requirements. Failure to execute this work could have serious impacts on electrical power plant operations and the ability of Public Works Department Yokosuka to provide reliable electrical power to the FDF.

Using a different company's services would require Public Works Department Yokosuka to modify or replace existing support equipment within the utilities control building. Parts manufactured by another vendor are not adaptable to the existing Toshiba-manufactured Supervisory Control and Data Acquisition (SCADA) system, due to the proprietary technology it maintains. Therefore, it is difficult to find sources competitively in Japan because industry is setting the standard. In order for other contractors to repair the Frequency Converter they would have to be licensed by Toshiba. Any new components installed would have to work

synchronously with existing frequency converters and the SCADA. Further, Toshiba will be able to correct any problems faster than other company, if operational issues arise. The three primary reasons warranting sole source procurement under 10 USC 2304(c)(1) are summarized below:

- Only one responsible source: Based on the results of the sources sought, there are no other vendors in Japan that can fulfill the requirement.
- Unique characteristics of the units: Frequency converters of this capacity are used only at very few facilities in Japan and normally manufactured only when requested by specific customers. FC#4, 5, & 6 were designed by Toshiba to meet Fleet Activities Yokosuka's specific electrical power generator needs. Therefore, the procedures for maintenance and repair of the units are very unique. Inspection and maintenance manuals for the units and technical knowledge of the specific tasks to complete the work are essential to project success.

As the manufacturer, Toshiba has the responsibilities for the Frequency Converter maintenance and operations. In order to keep the Frequency Converter fully functional and in proper condition, Toshiba has to know the existing conditions of the Frequency Converters. Once a non-licensed contractor repairs the Frequency Converters, Toshiba will not be able to track the maintenance records and existing conditions and therefore not be able to support the maintenance and operations of the system. In Japan, Toshiba's life time support for maintenance and repair for proprietary technology and projects is based on the manufacture's responsibility.

- Compatibility to electrical system: Any modifications to FC#4, 5, & 6 require an intricate knowledge of how existing components are tied into and operate on the electrical distribution system. All frequency converters are electronically connected to the SCADA system in Bldg. 1805, which processes electrical data from the entire base's electrical grid to properly monitor and control the entire system. When frequency converters are overhauled, repaired, or otherwise maintained, work must be performed in a manner compatible to SCADA system functionality. Since all frequency converters and the SCADA system itself are manufactured and maintained by Toshiba, no other company could reasonably be expected to have the requisite knowledge and skills to perform the work. Technical manuals for the existing equipment (or their written standard operating procedures) are only available to Toshiba personnel and not the public. These manuals include how to disassemble parts in the right order and how to find defects in disassembled parts. The unit contains components that are non-standard and hard to diagnose. Finally, the computer software and the programs used by the SCADA to control and monitor the frequency converters are Toshiba-made. When the work is completed, new SCADA components need to be adjusted in a way that system can continue to function properly. This work cannot be done without specific experience using Toshiba software, which is proprietary.
- It is in the best interest of the Government to have the existing vendor Toshiba Corporation, continue this support.

**6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.**

- a. As described in section number 2, Sources Sought notice was publicized in FEDERAL BUSINESS OPPORTUNITIES (FEDBIZOPPS) on 11 February 2015, for 30 calendar days to notify prospective offerors of the contract requirement and the Navy's intent to award the contract non-competitively pursuant to FAR 6.302-1. No offers responded.
- b. Other facts supporting the use of other than full and open competition:
  - i. Toshiba's continued technical advice is necessary to maintain the system and will be required for an extended period of time.
  - ii. Urgent continuous technical feedback from the manufacturer will be used as the basis of decisions necessary to control component systems in the proper order.

**7. Determination of Fair and Reasonable Cost.**

The Government estimate has been developed using a quote utilizing historical data, (Bukka Ban) which is the Japanese Unit Cost Book and the supplier of commercial prices. In instances when certified cost and pricing data are required, an analysis of cost information will be performed which will consider field pricing reports, commerciality, procurement history and other available cost and pricing information in determining price reasonableness. When certified cost and pricing data is obtained it will be used to ensure reasonableness, completeness and realism of proposed costs as required. The Contracting Officer has determined that the price for this acquisition is fair and reasonable pursuant to FAR Part 15.

**8. Actions to Remove Barriers to Future Competition.**

For the reasons set forth in paragraph 4 and 5, NAVFAC FAR EAST Public Works Department Yokosuka Facilities Engineering and Acquisition Division (PRY22) is unable to compete future contacts for the types of supplies/services covered by this document. If another potential source emerges, NAVFAC FAR EAST Public Works Department Yokosuka Facilities Engineering and Acquisition Division (PRY22) will assess whether competition for future requirements is feasible through issuance of a sources sought notice.

**CERTIFICATIONS AND APPROVAL**

**TECHNICAL/REQUIREMENTS CERTIFICATION**

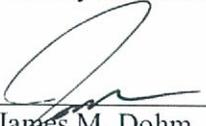
I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

Technical/Requirements Cognizance:

	T. Kikuchi	243-5755	20 APR 2015
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T. Kikuchi	Code PRY32	Telephone	Date

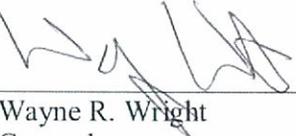
**CONTRACTING OFFICER CERTIFICATION**

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

	<i>PRY 2</i>	<i>243-9891</i>	<i>20 April 2015</i>
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James M. Dohm Contracting Officer LCDR, CEC USN NAVFAC FE FEAD YOKOSUKA	Code	Telephone	Date

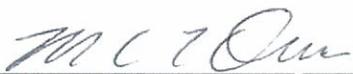
**LEGAL SUFFICIENCY REVIEW**

I have determined this Justification is legally sufficient.

	<i>09C</i>	<i>20439018</i>	<i>4/21/15</i>
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Wayne R. Wright Counsel NAVFAC FE	Code	Telephone	Date

**ECHELON IV COMMANDING OFFICER APPROVING OFFICIAL (NFAS 6.304)**

Upon the basis of the above justification, I hereby approve, the solicitation of the proposed procurement(s) described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304 (c)(1)

	<i>COMMANDING OFFICER</i> <i>CAPT, CEC, USN</i>	<i>243-7711</i>	<i>4/30/2015</i>
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M.C. La Duca CAPT, CEC USN Executive Officer NAVFAC FE	Code	Telephone	Date